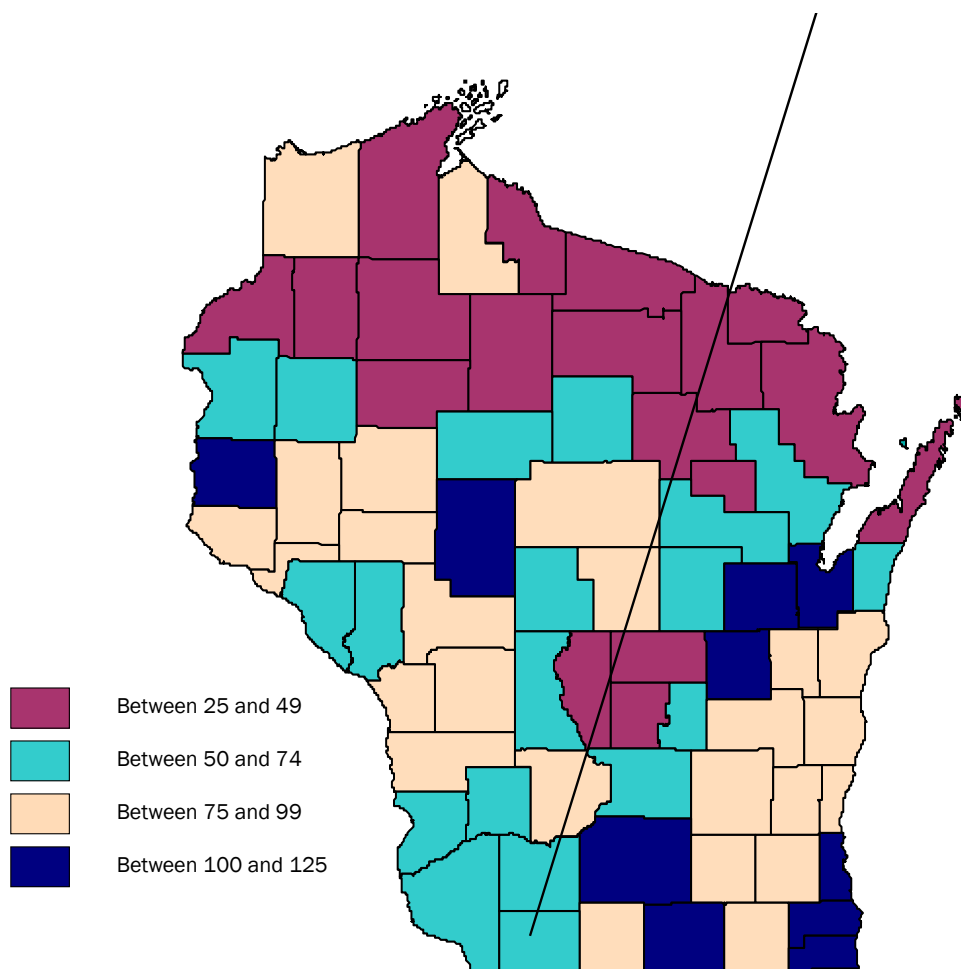


Lafayette County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

Over the last four years, Lafayette County's population has increased by 174 residents; growth of 1.1 percent. Lafayette's growth was considerably slower than the state and national rates. As one of the state's least populated counties, it also less densely populated than state average at approximately 26 residents per square mile. The state's population density was 102 residents per square mile in 2003.

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Lafayette County	16,137	16,311	174	1.1%
Largest Municipalities				
Darlington, City	2,418	2,416	-2	-0.1%
Shullsburg, City	1,246	1,228	-18	-1.4%
Benton, Village	976	998	22	2.3%
Viota, Town	900	898	-2	-0.2%
Belmont, Village	871	898	27	3.1%
Argyle, Village	823	817	-6	-0.7%
Darlington, Town	757	772	15	2.0%
Belmont, Town	676	717	41	6.1%
Willow Springs, Town	632	676	44	7.0%
Blanchardville, Village*	660	656	-4	-0.6%

*Lafayette County portion only

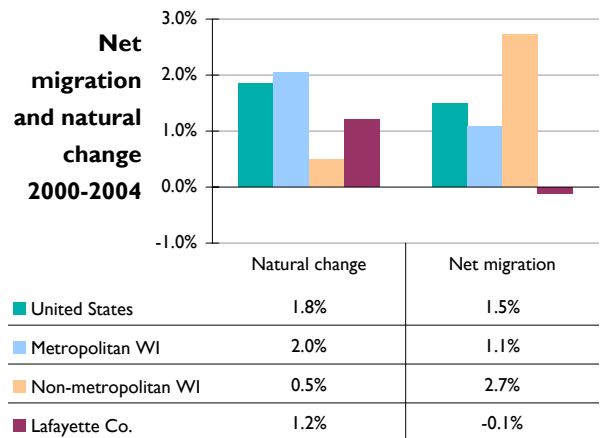
Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

Communities in northwest Lafayette and those just outside of Darlington showed the most population growth. More specifically, the Town of Willow Springs showed the fastest growth and the largest volume growth. The graph in the middle of the page outlines the components of Lafayette's population growth. Due to net residential out-migration, Lafayette's net population growth was entirely due to natural increase in population, which offset the negative migration component.

Population dynamics are key measurements in terms of labor market information and future economic vitality. One must not only examine how much the population has changed, but they should also anticipate its future change. Lafayette County's population is projected to grow four percent between 2005 and 2030 adding about 700 more residents. The state's projected growth rate is 15 percent. Slower population growth is not unique to Lafayette, nor southwest Wisconsin

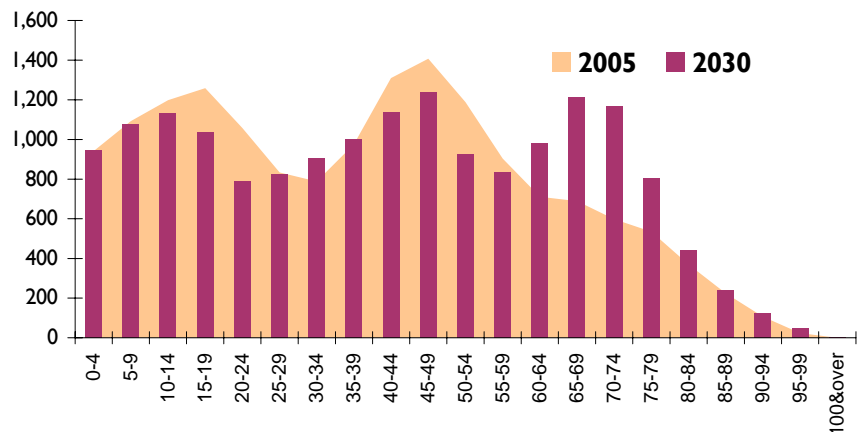
for that matter. In fact, Lafayette County's population in 1900 was about 4,600 residents higher than it is now. The graph at the bottom of this page plots Lafayette's projected total population in 2005 and 2030 by five-year age groups. At first glance, one could simply and correctly conclude that the bulk of the county's population growth is skewed to an older demographic. But a more detailed examination of Lafayette's past and projected population changes shape better informed views of Lafayette's current and future workforce.

Using a broad age-group perspective, the number of Lafayette's residents ages 19 years and younger are projected to decrease by about seven percent over this 25-year period. The number of those in their "prime working years", ages 20-59 years, will shrink by close to 10 percent. And the number of those ages 60 years and older will increase by 54 percent. From a compositional view of the total population, those 19 and younger are



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Lafayette County



Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

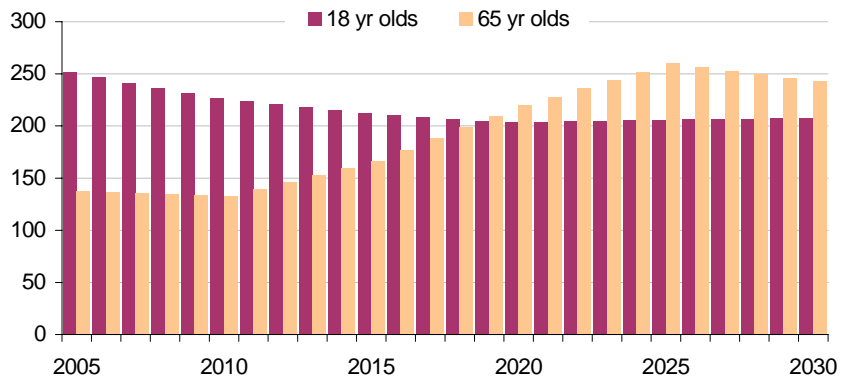
projected to decrease from 28 percent of the total population to about 25 percent. The 20 to 59 year-olds will decrease from 52 percent to 45 percent of the total. Those 60 years and older will increase from 20 percent to 30 percent of the total.

What do all these percentages mean in regards to Lafayette's future workforce? The graph to the right plots the projected numbers of those ages 18 and 65 from 2005 to 2030 in Lafayette County. These ages were chosen to represent ages of those entering and exiting the workforce. The reader will notice that over time the number of those turning 18 each year will decrease by about 20 percent and level off, while the number of those age 65 will increase by about 67 percent.

This presents a number of issues to ponder. One issue is that the number of those leaving the workforce will exceed the number entering. The reader should keep in mind that there have already been labor shortage situations in the 1990's with "surplus" labor force entrants. Future labor shortages may be more pronounced in occupations that are usually filled by those of a certain age group, or gender, or skill/educational background. Another issue is that as the population ages; the economy changes. As residents age they place more demand on the community's providers of goods and services, i.e., health services, retail trade, leisure and hospitality, etc.

Employers will compete for workers as they always have, but skilled and educated workers could be in even shorter supply relative to increased demand. The labor force will be older on

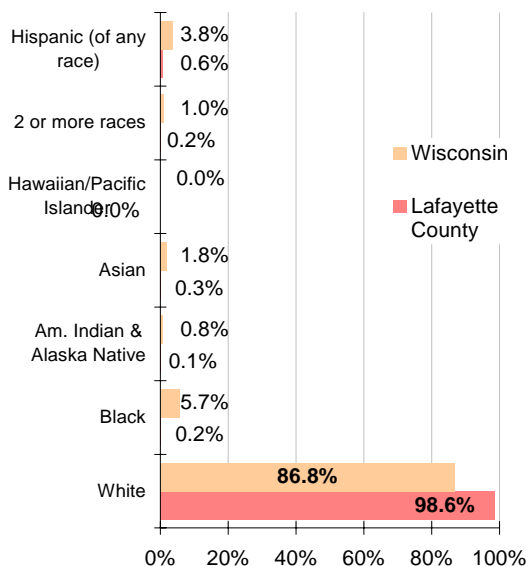
Convergence of 18 & 65 year old population in Lafayette County



Source: WI Dept. of Administration, Demographic Services

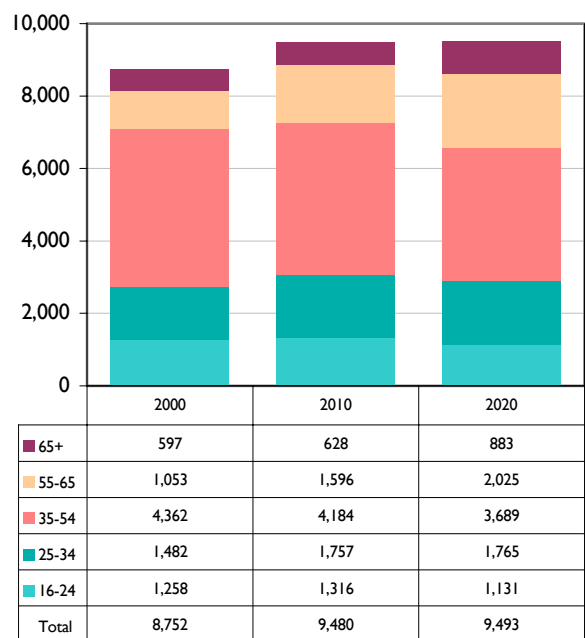
average though it is uncertain whether workers will remain in the labor force longer than they do currently. Trends suggest that workers are retiring at younger ages. Retirement is a subjective term and many who retire join back into the workforce, though usually in a reduced capacity. Currently, the older workforce is a small portion of the total. The labor force participation rate of those 65 and older is lower than average. For example it is estimated that 42 percent of those ages 65 to 69 in Lafayette are in the labor force, which is actually a very high rate for this age group, but at ages 70 years and older, this percentage drops into the 'teens as one might expect.

Race and ethnic distribution



Source: U.S. Census Population Characteristics Estimates, 2002

Lafayette County Labor Force Projections by Age



Decade change	-11.9%	8.3%	0.1%
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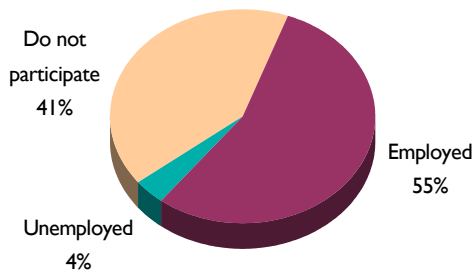
Source: DWD, Office of Economic Advisors, August 2004

Current Labor Force

The national recession in 2001 followed by sluggish employment recovery have caused higher unemployment in Lafayette County. Its unemployment rate in 2003 remained higher than its historical average despite an annual gain in employed and a slight decrease in unemployed. It is not uncommon for unemployment rates to be high during post-recession recovery periods.

Lafayette's labor force participation rate (LFPR) was 58.9

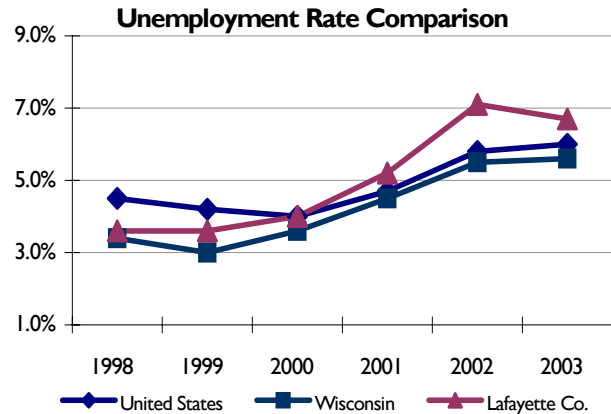
Labor force participation in Lafayette County



Source: DWD, Office of Economic Advisors, July 2004

percent in 2003, which was well below the state and national averages of 72.9 and 66.2 percent, respectively. Lafayette's LFPR conversely indicates that almost 41 percent of those ages 16 and older did not participate for reasons such as retirement, which indicates a large, older segment of the population. In all likelihood, Lafayette County's LFPR will

gradually decrease over the next few decades, but to what extent is unknown. The decrease in LFPR will be a result of the county's age demographics and not necessarily due to drastic changes in the regional economy's structure.



Lafayette County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	8,078	7,425	7,360	7,467	7,210	7,337
Employed	7,790	7,161	7,063	7,079	6,699	6,844
Unemployed	288	264	297	388	511	493
Unemployment Rate	3.6%	3.6%	4.0%	5.2%	7.1%	6.7%

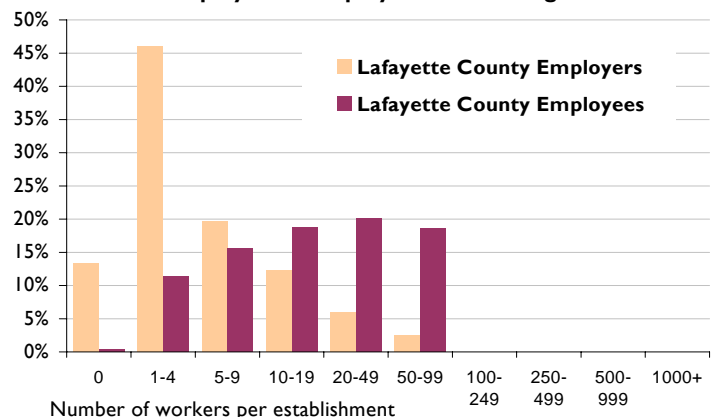
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

The majority of Lafayette County's employers are small, as approximately 78 percent of them employ between one and 19 workers. While this may seem to be an inordinately large share of smaller employers in the county it is a typical share. The term "small employer" is subjective. Some may define it as fewer than 500 employees and some as low as fewer than 20 employees. Lafayette County has no employers with 500 or more employment,

From the employee perspective, the highest share of the county's employees work in establishments employing 20-49 workers. In fact, 66 percent of Lafayette County's employment is in establishments employing fewer than 50 workers. On average, the number of employees is eight per employer in Lafayette County. This is lower than the both the state average of 17 per employer and the national average, which is 13 employees per employer.

Share of employers & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industry & employers by size

Examination of a county's labor market from the demand (employer) point of view is essential to gauge the type of workforce employers are seeking. The tables below outline the top employers by industry and the top employers by name and establishment size. The pie-graphs to the bottom indicate the prominence of these top industries and employers in terms of the county's total employment.

It is common for services-providing sectors to show the large-

est and fastest employment growth in both one- and five-year periods. Some goods-producing sectors, like manufacturing industries, may still show a large employment presence, but they may show a loss of employment over these timeframes, too. It is also common for many counties traditionally heavy in goods-producing employment to now have services-providers, particularly health and education services, as their larger employers and industry sectors.

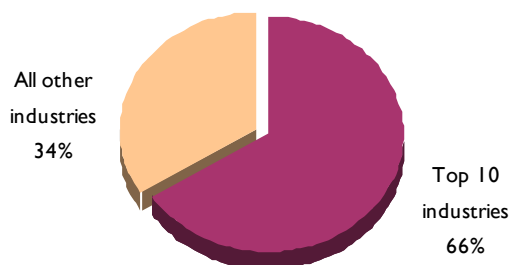
Top 10 Industries in Lafayette County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Educational services	suppressed	suppressed	not avail.	not avail.
Executive, legislative, & gen government	25	480	-14	-3
Food manufacturing	10	265	47	95
Food services & drinking places	25	199	28	-31
Merchant wholesalers, nondurable goods	16	198	5	62
Truck transportation	22	156	14	-36
Merchant wholesalers, durable goods	8	123	-1	-6
Gasoline stations	9	116	8	23
Electrical equipment & appliances	suppressed	suppressed	not avail.	not avail.
Credit intermediation & related activity	8	102	-36	-30

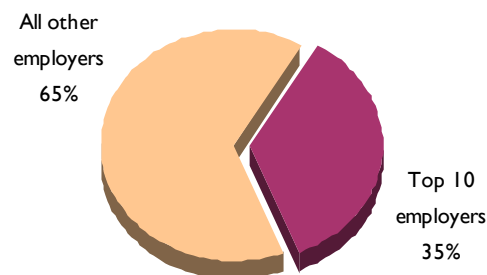
Top 10 Employers in Lafayette County

Establishment	Product or Service	Size (Dec. 2003)
County of Lafayette	Executive and legislative offices, combined	250-499 employees
Darlington Public School	Elementary and secondary schools	100-249 employees
School District of Black	Elementary and secondary schools	100-249 employees
Lactalis Usa Inc.	Cheese manufacturing	100-249 employees
Merkle-Korff Industries Inc.	Motor and generator manufacturing	50-99 employees
Shullsburg Creamery Inc.	Dairy product merchant wholesalers	50-99 employees
Shullsburg Public School	Elementary and secondary schools	50-99 employees
School District of Argyle	Elementary and secondary schools	50-99 employees
Illinois Tool Works Inc.	Machine shops	50-99 employees
Benton Public School	Elementary and secondary schools	50-99 employees

Share of jobs in top 10 industries in Lafayette County



Share of Lafayette County jobs with top 10 employers

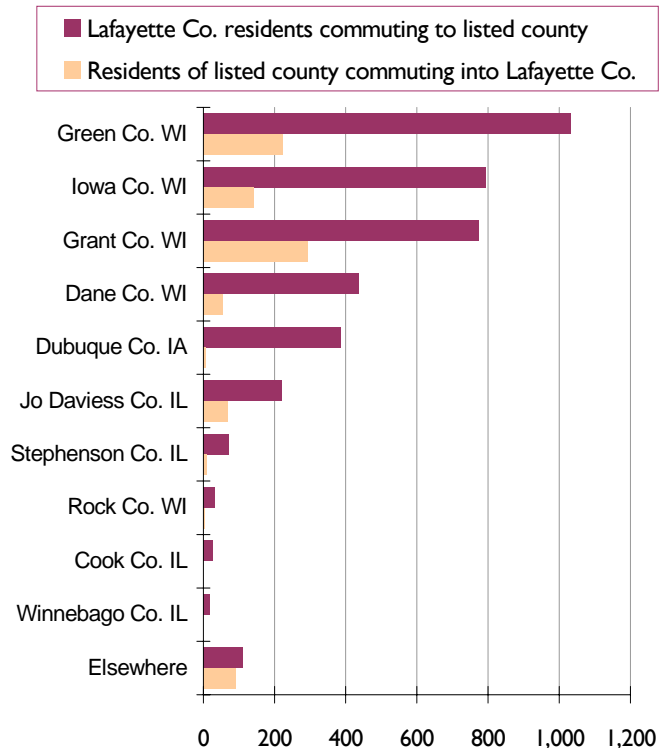


Commuting

According to 2000 Census estimates, 46 percent of Lafayette County's workers work outside of the county. This represents approximately 3,900 workers. The state average out-of-county commute is 24 percent of workers. Out-of-county commuting is theoretically necessary for Lafayette County's labor force as there are twice as many employed residents (7,000 workers) living in Lafayette than there are jobs (3,500 jobs).

The majority of Lafayette's commuting workers travel to Green, Iowa or Grant counties. These three counties send a fair number of their workers into Lafayette County, but Lafayette's net commuting with respect to these three counties flows outward. It is estimated that approximately 900 workers from other counties are employed in Lafayette County, so despite the fact of Lafayette's negative commuting flow, it is estimated that one of every four people working in Lafayette lives in another county.

Lafayette County borders Illinois, yet Dubuque County, IA gets the largest share of Lafayette's out-state commuters. Lafayette County does not border Iowa, but a drive through Jo Davies County, IL or Grant County, WI will get one to Iowa. According to census estimates, only a very small number of Iowa and Illinois residents work in Lafayette County.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The table to the right lists the occupations with the most employment in the Crawford Labor Supply Area as of May 2003. Their hourly wages are also displayed.

The hourly wages shown include the mean (average) and the median (50th percentile), which are the most frequently requested occupational data. The 25th and 75th percentile wages are also included to help give an indication of entry-level and experienced worker wages, respectively. The 25th percentile indicates that 75 percent of the total workers in this occupation earn more per hour than this wage. The 75th percentile wage indicates that 25 percent of workers make more than this hourly wage.

If the mean and median wages are relatively close, the labor market for this worker is probably tight or very competitive for hiring employers. If the median is significantly below the mean, an employer offering mean wages should have an advantage in attracting workers. On the same hand, prospective workers will likely find a higher than average level of competition for these jobs.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Retail salespersons	\$9.30	\$6.84	\$8.05	\$9.71
Cashiers	\$7.49	\$6.35	\$7.36	\$8.47
Janitors & cleaners, except maids & hskpg. cleaners	\$9.58	\$7.75	\$9.69	\$11.24
Truck drivers, heavy & tractor-trailer	\$16.26	\$12.50	\$15.50	\$18.26
Nursing aides, orderlies, & attendants	\$9.37	\$8.54	\$9.48	\$10.39
Elem. school teachers, except special ed.	-	-	-	-
Secretaries, except legal, medical, & executive	\$11.25	\$9.69	\$11.15	\$12.99
Bookkeeping, accounting, & auditing clerks	\$11.08	\$9.23	\$10.72	\$13.00
Team assemblers	\$11.24	\$8.34	\$9.76	\$12.61
Middle school teachers, except special & voc. ed.	-	-	-	-
Teacher assistants	-	-	-	-
Office clerks, general	\$9.44	\$7.49	\$9.14	\$11.16
Registered nurses	\$20.50	\$18.10	\$20.00	\$21.95
Truck drivers, light or delivery services	\$10.51	\$7.92	\$10.78	\$12.62
Sec. school teachers, except special & voc. ed.	-	-	-	-
Bartenders	\$7.02	\$6.43	\$7.17	\$7.88
Correctional officers & jailers	\$15.14	\$14.02	\$15.24	\$16.48
Maintenance & repair workers, general	\$12.30	\$9.19	\$12.01	\$14.99
Bus drivers, school	\$12.78	\$9.45	\$12.21	\$15.55
Comb. food prep. & serving workers (fast food)	\$7.23	\$6.20	\$7.01	\$8.13

Lafayette County is part of an area which includes Crawford, Grant, Lafayette, Richland and Vernon counties.

Employment and Wages

The average wages paid by Lafayette County employers in 2003 equaled 70 percent of the state's annual average. This ratio is typical of non-metropolitan counties, particularly rural counties. The lowest paying sector, in relative terms, is information. The highest paying sector is other services, which in relative terms is 25 percent higher paying compared to the state's average. Other services sector wages, in Lafayette's case, contains a very small component industry with highly paid workers skewing this sector's data well above average. Lafayette County ranks third highest in the state in other services average annual wages.

The graph below displays each sector's employment and total wages as a percentage of the county's totals. The largest employing sector is trade, transportation and utilities. It also pays the largest share of the county's total wages. Education and health services, the second largest employing sector, pays disproportionately higher wages than its representative employment.

The annual wages that an industry pays can depend upon many factors such as its geographic location, seasonal activity, presence of workers under collective bargaining agreements, etc. But the most crucial wage component is an industry's occupational composition. Some industries employ a higher

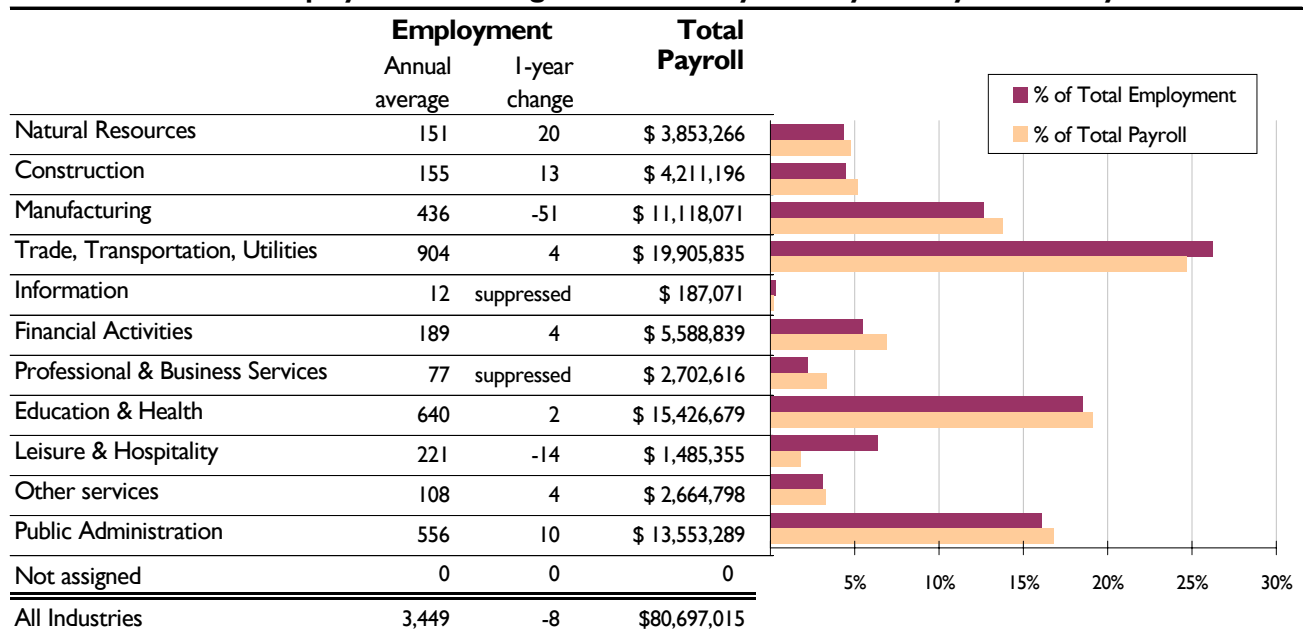
Average Annual Wage by Industry Division in 2003

	Average Annual Wage Wisconsin	Average Annual Wage Lafayette County	Percent of Wisconsin	1-year % change
All Industries	\$ 33,423	\$ 23,397	70.0%	2.1%
Natural resources	\$ 25,723	\$ 25,518	99.2%	-1.9%
Construction	\$ 40,228	\$ 27,169	67.5%	-0.2%
Manufacturing	\$ 42,013	\$ 25,500	60.7%	3.9%
Trade, Transportation, Utilities	\$ 28,896	\$ 22,020	76.2%	1.7%
Information	\$ 39,175	\$ 15,589	39.8%	Not avail.
Financial activities	\$ 42,946	\$ 29,571	68.9%	5.2%
Professional & Business Services	\$ 38,076	\$ 35,099	92.2%	Not avail.
Education & Health	\$ 35,045	\$ 24,104	68.8%	-1.0%
Leisure & Hospitality	\$ 12,002	\$ 6,721	56.0%	7.4%
Other services	\$ 19,710	\$ 24,674	125.2%	5.5%
Public Administration	\$ 35,689	\$ 24,376	68.3%	2.4%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

than average share of skilled or educated workers commanding higher salaries. Some employ higher than average shares of entry-level, part-time or seasonal workers. Lafayette's trade, transportation, and utilities sector pays a slightly lower share of the county's wages compared to its employment, but its wage ratio is actually much higher than average because Lafayette has a strong presence of higher than average paying wholesale trade. Other counties' employment in this sector is much more rooted in lower paying retail trade employment, rather than wholesale trade. Truck transportation employment has a strong presence in Lafayette.

2003 Employment and Wage Distribution by Industry in Lafayette County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income

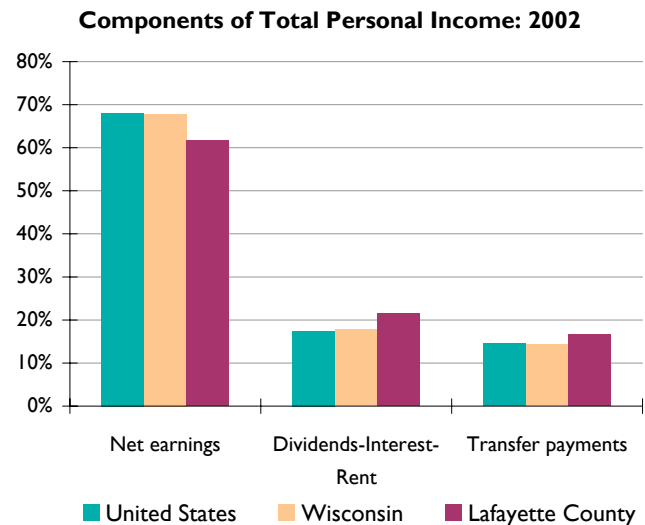
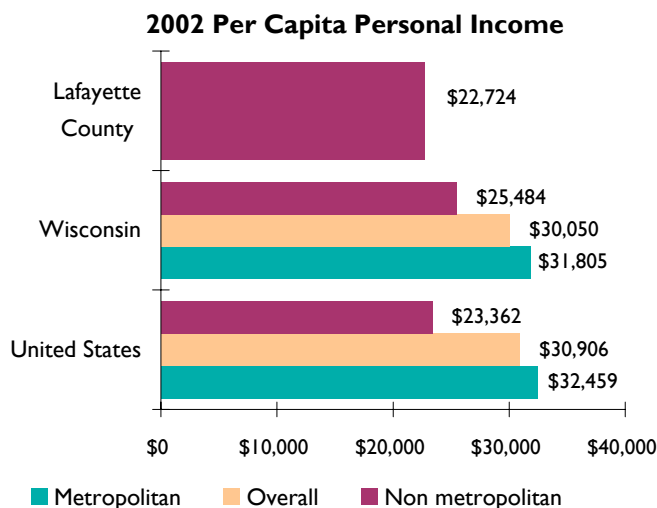
Income is the resultant combination of all manners in which people or families or households obtain monies. Generally, the majority of any county's total income is obtained via job wages, though Lafayette County's residents, as a whole, obtain a significantly lower than average share of their total income from these earnings (graph, bottom right). They obtain a higher than average share of their income from governmental transfer payments and investment dividends and interest payments. Lafayette has a larger than average elderly population, which is a reason for the higher than average ratio of government al transfer payments. These include social security, government retirement benefits, Medicare and other benefits.

Per capita personal income (PCPI) is the most utilized statistic in referencing a local area's comparative economic health. Lafayette County's PCPI has increased faster than both the state and U.S. PCPI over the last five years. Interestingly, Lafayette's total personal income growth (not shown) has grown more slowly than the state's. A possible explanation for its faster PCPI growth is that Lafayette's slowly growing total personal income was divided in 2002 by population that grew even more slowly, enhancing the per capita result.

In 2002, Lafayette's PCPI equaled 73.5 percent of the statewide figure. This is about one percentage point lower than in 1997.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Lafayette County	\$18,308	\$19,962	\$20,495	\$20,742	\$22,431	\$22,724	1.3%	24.1%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Lafayette County	\$20,521	\$22,032	\$22,131	\$21,669	\$22,786	\$22,724	-0.3%	10.7%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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LaCrosse, WI 54601
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email: William.Brockmiller@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.